

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Primary Cobalt Corp. (the “Issuer”).

Trading Symbol: PRIM

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: May 29, 2018.

"Patrick Morris"
Name of Director or Senior Officer

"Patrick Morris"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer: Primary Cobalt Corp.		For Quarter Ended March 31, 2018	Date of Report YY/MM/D 2018/05/30
Issuer Address 430-580 Hornby Street,			
City/Province/Postal Code Vancouver, British Columbia V6C 3B6.		Issuer Fax No. ()	Issuer Telephone No. (604) 761-8597
Contact Name Patrick Morris		Contact Position	Contact Telephone No. (604) 761-8597
Contact Email Address pm@primarycobalt.com		Web Site Address	

PRIMARY COBALT CORP.

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2018 and 2017

(Unaudited)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the three months ended March 31, 2018.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by, and are the responsibility of, the Company's management.

PRIMARY COBALT CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	March 31, 2018	December 31, 2017
		\$	\$
ASSETS			
Current Assets			
Cash		344,166	40,125
Amounts receivable		7,058	4,498
Prepaid expenses		30,000	30,000
		381,224	74,623
Deferred Financing Costs	4	–	10,000
Mineral Property Interests	6	256,306	251,489
		637,530	336,112
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	5	31,420	8,025
		31,420	8,025
SHAREHOLDERS' EQUITY			
Share capital	7	895,082	541,701
Contributed surplus	8	172,229	–
Deficit		(461,201)	(213,614)
		606,110	328,087
		637,530	336,112
NATURE AND CONTINUANCE OF OPERATIONS	1		
COMMITMENTS	6 & 12		
SUBSEQUENT EVENTS	13		

Approved on behalf of the Board:

"Patrick Morris"

Patrick Morris, CEO, Director

"H. Barry Hemsworth"

H. Barry Hemsworth, Director

PRIMARY COBALT CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Three Months Ended	
		March 31, 2018	March 31, 2017
		\$	\$
Expenses			
Stock based compensation	5, 7	172,229	—
Consulting fees	5	26,000	17,750
Travel and promotion		15,035	528
Professional fees		11,590	3,795
Website		10,000	—
Office and miscellaneous		4,597	94
Rent	5	4,500	—
Filing fees		3,636	—
		(247,587)	(22,167)
Other			
Interest income		—	1,060
Net loss and comprehensive loss		(247,587)	(21,107)
Loss per share, Basic and Diluted		(0.02)	(0.00)*
Weighted average common shares outstanding		16,811,112	6,000,001

* Denotes a loss of less than \$(0.01) per share.

The accompanying notes are an integral part of these financial statements

PRIMARY COBALT CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

(Unaudited)

	Note	Shares Issued	Amount \$	Contributed Surplus \$	Accumulated Deficit \$	Total \$
Balance, December 31, 2016		6,000,001	85,001	–	(71,219)	13,782
Comprehensive loss		–	–	–	(21,107)	(21,107)
Balance, March 31, 2017		6,000,001	85,001	–	(92,326)	(7,325)
Shares issued for cash	7	8,360,000	418,000	–	–	418,000
Share issue costs	7	–	(23,800)	–	–	(23,800)
Shares issued for mineral property	6, 7	1,250,000	62,500	–	–	62,500
Comprehensive loss		–	–	–	(121,288)	(121,288)
Balance, December 31, 2017		15,610,001	541,701	–	(213,614)	328,087
Shares issued for cash	7	4,600,000	460,000	–	–	460,000
Share issue costs	7	–	(116,619)	–	–	(116,619)
Shares issued for services	6, 7	100,000	10,000	–	–	10,000
Stock based compensation		–	–	172,229	–	172,229
Comprehensive loss		–	–	–	(247,587)	(247,587)
Balance, March 31, 2018		20,310,001	895,082	172,229	(461,201)	606,110

The accompanying notes are an integral part of these financial statements

PRIMARY COBALT CORP.*(An Exploration Stage Company)***CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited)

		<u>Three Months Ended</u>	
	Note	March 31, 2018	March 31, 2017
		\$	\$
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net loss		(247,587)	(21,107)
Adjustments to Reconcile Net Loss to Net Cash used in Operations:			
Stock based compensation	7	172,229	—
Changes in non-cash working capital balances:			
Amounts receivable		(2,561)	12,856
Prepaid expenses		—	(10,500)
Accounts payable and accrued liabilities	5	18,579	6,854
Cash used in operating activities		(59,340)	(11,897)
INVESTING ACTIVITIES			
Acquisition costs	6	—	(30,000)
Exploration and evaluation costs	6	—	—
Cash used in investing activities		—	(30,000)
FINANCING ACTIVITIES			
Deferred financing costs	4	10,000	—
Subscriptions received		—	75,000
Shares issued for cash, net	7	353,381	—
Cash provided by financing activities		363,381	75,000
Increase in cash		304,041	33,103
Cash, beginning		40,125	—
Cash, ending		344,166	33,103
SUPPLEMENTAL DISCLOSURES:			
Cash paid for interest		—	—
Cash paid for income taxes		—	—
NON CASH FLOW TRANSACTION INFORMATION:			
Shares issue costs	7	10,000	—
Shares issued for mineral property	6, 7	—	—

For the supplemental disclosures for non-cash investing and financing transactions, see Notes 6 and 7.

PRIMARY COBALT CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

Primary Cobalt Corp. (the "Company") was incorporated as Media Link Technology Corporation under the Laws of the Province of British Columbia on July 15, 2010. On January 19, 2011, the Company changed its name to Media Cloud Systems Inc. On September 14, 2016, the Company changed its name from Media Cloud Systems Inc. to Bego Advanced Materials Inc. On January 26, 2017, the Company changed its name to Primary Cobalt Corp. The address of the Company's corporate office and its principal place of business is 430-580 Hornby Street, Vancouver, British Columbia, Canada.

The Company began operations on July 15, 2010 and its principal business activity was software development. As of December 31, 2011, the Company ceased the software development business and began looking for a new business and financing. On March 31, 2017, the Company entered into a mineral property purchase option agreement. As of March 31, 2018, the Company's principal business activity is the acquisition, exploration and development of mineral properties in British Columbia, and is an exploration stage company.

The Company has never generated revenue or positive cash flows from operations. For the three months ended March 31, 2018, the Company reported a net loss of \$247,587 (2016 - \$21,107), negative cash flow from operating activities of \$59,340 (2016 - \$11,897) and has an accumulated deficit of \$461,201. This raises significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations as intended are dependent on its ability to obtain necessary financing and raise capital sufficient to cover its operating costs.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION**a) Statement of compliance**

These financial statements are prepared in compliance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2017.

These financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 29, 2018.

b) Measurement basis

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 paragraphs (m) and (n) to the Company's financial statements for the year ended December 31, 2017. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional and presentation currency of the Company is the Canadian dollar.

PRIMARY COBALT CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these unaudited condensed interim financial statements are based on IFRS issued and outstanding as of May 29, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

4. DEFERRED FINANCING COSTS

Pursuant to a letter agreement dated October 31, 2017, the Company engaged Haywood Securities Inc. (the "Agent") as its agent for the Company's initial public offering. At December 31, 2017, the Company had paid a deposit of \$10,000 to the Agent. On March 7, 2018, the Company completed the initial public offering and the deferred financing costs were charged to shares issue costs.

5. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has identified its directors and senior officers as its key management personnel.

All related party transactions are incurred in the normal course of business at their exchange value.

Amounts due to related parties are non-interest bearing, unsecured, and with no fixed repayment terms.

During the three month periods ended March 31, 2018 and 2017, the Company incurred the following related party transactions:

	2018	2017
	\$	\$
Transactions:		
Consulting fees:		
Director, Chief Executive Officer	15,000	15,000
Former Chief Financial Officer	—	2,750
Chief Financial Officer	1,000	—
Stock based compensation		
Director, Chief Executive Officer	36,259	—
Director	36,259	—
Director	36,259	—
Director	18,129	—
Chief Financial Officer	18,129	—
Rent and occupancy costs paid to a company controlled by a director	4,500	—
Balances:		
Accounts Payable:		
Director	2,772	142
Chief Financial Officer	1,000	—

PRIMARY COBALT CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017***(Expressed in Canadian Dollars)**(Unaudited)*

6. MINERAL PROPERTY INTERESTS**Rocher Déboulé Claims, British Columbia**

On March 31, 2017, the Company entered into a property purchase option agreement (the "RD Agreement") to acquire an undivided 100% interest in four contiguous mineral claims, comprised of approximately 5,827 hectares, located in northwest British Columbia. The property purchase agreement requires payment of \$50,000, and issuance of the greater of 1,500,000 common shares or 9.9% of the issued and outstanding common shares of the Company as at the completion of Phase II work, and not later than September 30, 2018, and incurring exploration expenditures of \$180,000 as follows:

	Share Issuance	Cash Payment	Exploration Expenditures
		\$	\$
On signing memorandum of understanding (paid)	—	30,000	—
On first day of execution of Agreement (paid)	—	20,000	—
On or before May 31, 2017 (issued)	1,000,000	—	—
On or before September 30, 2017 (issued)	250,000	—	75,000
On or before September 30, 2018 (Note)	250,000	—	105,000
	1,500,000	50,000	180,000

Note: In addition, on completion of the \$105,000 exploration expenditures, the Company will issue additional shares to the Optionor so that aggregate number of common shares issued to the Optionor will not be less than 9.9% of the total issued and outstanding common shares of the Company at the time of issuance.

The property is subject to a 2% net smelter return, 1% of which can be purchased by the Company at \$1,000,000.

Mineral properties expenditures accounted for as exploration and evaluation assets during the three month period ended March 31, 2018 and the year ended December 31, 2017 are as follows:

	March 31, 2018	December 31, 2017
	\$	\$
<u>Acquisition costs</u>		
Balance, beginning	112,500	—
Cash payment	—	50,000
Shares issued	—	62,500
Balance, ending	112,500	112,500
<u>Exploration and evaluation costs</u>		
Balance, beginning	138,989	—
Geological and geophysical	4,816	138,989
Balance, ending	143,805	138,989
Total mineral properties expenditures	256,305	251,489

The Company staked one additional mineral claim during the year ended December 31, 2017, immediately adjacent to the four mineral claims, approximately 1,504 hectares in size, which is not subject to the RD Agreement.

PRIMARY COBALT CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL**(a) Authorized Share Capital**

The Company is authorized to issue unlimited number of common shares without par value.

(b) Issued and Outstanding Common Shares:

	Number of Common Shares	Amount \$
Balance, December 31, 2015	5,675,001	78,501
Shares issued for debt	325,000	6,500
Balance, December 31, 2016	6,000,001	85,001
Issued for cash at \$0.05 per share	8,360,000	418,000
Share issue costs	—	(23,800)
Shares issued for Rocher Déboulé property	1,250,000	62,500
Balance, December 31, 2017	15,610,001	541,701
Issued for cash at \$0.10 per share	4,600,000	460,000
Share issue costs	—	(116,619)
Issued for services at \$0.10 per share	100,000	10,000
Balance, March 31, 2018	20,310,001	895,082

On May 2, 2017, the Company issued 4,160,000 common shares at \$0.05 per share for total proceeds of \$208,000.

On May 29, 2017, pursuant to property purchase option agreement, the Company issued 1,000,000 common shares valued at \$0.05 per share for a total of \$50,000 (Note 6).

On June 21, 2017, the Company issued 500,000 common shares at \$0.05 per share for total proceeds of \$25,000.

On September 29, 2017, pursuant to property purchase option agreement, the Company issued 250,000 common shares valued at \$0.05 per share for a total of \$12,500 (Note 6).

On November 11, 2017, the Company issued 3,700,000 common shares at \$0.05 per share for total proceeds of \$185,000.

Pursuant to a letter agreement dated October 31, 2017, the Company engaged Haywood Securities Inc. (the "Agent") as its agent for the Company's initial public offering of 4,000,000 common shares at \$0.10 per share for total gross proceeds of \$400,000 (the "Offering"). The Company agreed to pay to the Agent a commission of 10% of the gross proceeds from the Offering, a non-refundable corporation finance fee of \$30,000 in cash and \$10,000 to be paid by issuance of 100,000 common shares of the Company, and agent warrants to acquire 10% of the total number of common shares sold at an exercise price of \$0.10 per share expiring 24 months from the closing date of the Offering, and reimbursement of various professional expenses relating to the Offering. On March 7, 2018, the Company issued 4,600,000 common shares at \$0.10 per share for total proceeds of \$460,000 and 100,000 in lieu of the \$10,000 corporate finance fee, pursuant to the Offering.

During the three months ended March 31, 2018, the Company paid \$116,619 in share issue costs related to the Offering. During the year ended December 31, 2017, the Company paid \$23,800 in share issue costs.

PRIMARY COBALT CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL (continued)**(c) Stock Option Plan**

The Company has established a stock option plan for directors, officers, employees, and consultants. Under the Company's stock option plan, the exercise price, vesting requirement and term of each option are to be determined by the Board. The option exercise price is not to be lower than the market price of the common shares at the time the options are granted. The term of the options cannot exceed 10 years. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued shares at the time the options are granted. The aggregate number of options granted to any one optionee in a 12 month period is limited to 5% of the issued shares of the Company.

On March 7, 2018, the Company granted an aggregate of 1,900,000 stock options to its officers, directors and consultants for the purchase of up to 1,900,000 common shares. Each stock option is exercisable for a period of five years at a price of \$0.10 per common share. All stock options are vested and exercisable upon grant. The fair value of the options granted was \$172,229 and was recorded as contributed surplus from stock based compensation.

Options outstanding and exercisable	Number of options	Exercise Price	Expiry Date
Outstanding, December 31, 2017	—	—	—
Granted March 7, 2018	1,900,000	\$0.10	March 7, 2023
Outstanding, March 31, 2018	1,900,000		

As at March 31, 2018, the options have a weighted average remaining contractual life of 4.93 years. The fair value of each option granted during the year was \$0.09 based on an application of the Black-Scholes option pricing model using the following weighted average assumptions:

Share price on grant date	\$0.10
Expected life (years)	5 years
Interest rate	1.97%
Volatility	150%
Dividend yield	0.00%

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan which complies with the rules and policies of the Exchange.

(d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
Outstanding, December 31, 2017	—	—	—
Granted March 7, 2018	460,000	\$0.10	1.93
Outstanding, March 31, 2018	460,000		

PRIMARY COBALT CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

7. SHARE CAPITAL (continued)

(e) Shares held in escrow

As at March 31, 2018, the Company has 3,420,000 common shares held in escrow (December 31, 2017 – nil). These escrow shares are subject to escrow trading restrictions pursuant to the Escrow agreement and are released on a straight line basis, with one tenth released on the date the Company's securities are listed on a Canadian exchange (listing date - released), one sixth of remaining escrow securities released 6 months after the listing date (released), one fifth of remaining escrow securities released 12 months after the listing date (released), one fourth of remaining escrow securities released 18 months after the listing date, one third of remaining escrow securities released 24 months after the listing date, one half of remaining escrow securities released 30 months after the listing date and remainder released 36 months after the listing date.

8. CONTRIBUTED SURPLUS

On March 7, 2018, the Company granted stock options to certain directors, officers and consultants (see Note 7(c)). The fair value of the options granted was \$172,229 and was recorded as contributed surplus from stock based compensation.

9. INCOME TAXES

Future tax benefits which may arise as a result of these non-capital losses and other income tax pools have not been recognized in these financial statements and have been offset by a valuation allowance.

No deferred income tax asset has been recognized because the amount of future taxable profit that will be available to realize such assets is unpredictable. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

10. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern (see Note 1). The Company does not have any externally imposed capital requirements to which it is subject.

As at March 31, 2018, the Company had capital resources consisting of all components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares.

PRIMARY COBALT CORP.*(An Exploration Stage Company)***NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

11. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash and accounts payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature. The fair value of these financial instruments approximates their carrying value because of the current nature.

The following table summarizes the carrying values of the Company's financial instruments:

	March 31, 2018	December 31, 2016
	\$	\$
FVTPL (i)	344,166	40,125
Other financial liabilities (ii)	30,420	8,025

(i) Cash

(ii) Accounts payable and due to related party

The Company's financial instruments include cash, accounts payable and due to related parties. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature.

The Company classifies its fair value measurements in accordance with the three level fair value hierarchies as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3 – Inputs that are not based on observable market data

The following table sets forth the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
As at March 31, 2018:				
Cash	344,166	–	–	344,166
As at December 31, 2017:				
Cash	40,125	–	–	40,125

PRIMARY COBALT CORP.

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017**

(Expressed in Canadian Dollars)

(Unaudited)

11. FINANCIAL INSTRUMENTS (continued)**Financial risk management objectives and policies**

The Company's financial instruments include cash, accounts payable and due to related party. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. As at December 31, 2017, the Company has \$40,145, which is held at a Canadian chartered bank and the Company considers the credit risk to be minimal.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and exploration activity. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

12. COMMITMENTS

The Company is committed to the payments, share issuances and exploration expenditures in the Rocher Déboulé property, as described in Note 6.

13. SUBSEQUENT EVENT

On May 4, 2018, the Company entered into a letter of intent to acquire an 85% interest in four mineral properties located in Spain. The letter of intent requires the payment of 22,808 Euros by May 11, 2018 and 36,195 Euros for prior expenses at closing of a definitive agreement, plus reimbursing prior expenses of 41,957 Euros and 1,000,000 common shares to the former right holder. The Company must pay option fees in cash and common shares and pay all future exploration expenses. In addition, the Company will enter into a consulting contract for 10,000 Euros per month, effective June 1, 2018.